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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II

245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

October 17, 2016

Mr. Adam Hilton
FMO Facility Manager
Global Nuclear Fuel – Americas, L.L.C.
P.O. Box 780, Mail Code J20
Wilmington, NC 28402

SUBJECT: GLOBAL NUCLEAR FUEL – AMERICAS, L.L.C. – U.S. NUCLEAR REGULATORY
COMMISSION INTEGRATED INSPECTION REPORT 70-1113/2016-401 AND
NOTICE OF VIOLATION

Dear Mr. Hilton:

The U.S. Nuclear Regulatory Commission (NRC) conducted a routine inspection of the Material Control and Accounting (MC&A) safeguards program at Global Nuclear Fuel – Americas, L.L.C. Facility in Wilmington, NC from September 19 - 22, 2016. The purpose of this inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. The enclosed report presents the results of the inspection that were discussed with members of your staff during an exit meeting held at the conclusion of the inspection on September 22, 2016.

This inspection examined activities conducted under your license as they relate to public health and safety, the common defense and security, and to confirm compliance with the Commission's rules, regulations, and the conditions of your license. Areas examined during this inspection included management structure, item control, measurement systems and control, physical inventory, resolution, assessment, and recordkeeping. Within these areas, the inspection consisted of performance tests, selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>). The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation is being cited in the Notice because the issue was identified by NRC.

The enclosure contains Sensitive Unclassified Non Safeguards Information (Security-Related Information). Upon separation, this cover letter is DECONTROLLED.

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You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The enclosed inspection report contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosures will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning this report, please contact Manuel Crespo at 404-997-4733, or via e-mail to manuel.crespo@nrc.gov.

Sincerely,

/RA

Omar R. López-Santiago, Chief
Safety Branch
Division of Fuel Facility Inspection

Docket No. 70-1113
License No. SNM-1097

Enclosures:

1. ~~Notice of Violation~~
2. ~~NRC Inspection Report 70-1113/2016-401~~
~~w/Supplemental Information~~

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/RA/
Omar R. López-Santiago, Chief
Safety Branch
Division of Fuel Facility Inspection

Docket No. 70-1113
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- Enclosures:
1. Notice of Violation
2. NRC Inspection Report 70-1113/2016-401
w/Supplemental Information

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Scott Murray, Manager
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W. Lee Cox, III, Chief
North Carolina Department of Health and Human Services
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